

# Assembly Committee on Medicaid Reform

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February 8, 2006

# Today's Agenda














- ❑ The response to the Long-Term Care RFI/RPF
- ❑ Our analysis of the expected cost of Family Care statewide
- ❑ Legislation that would assist in expanding Family Care quickly

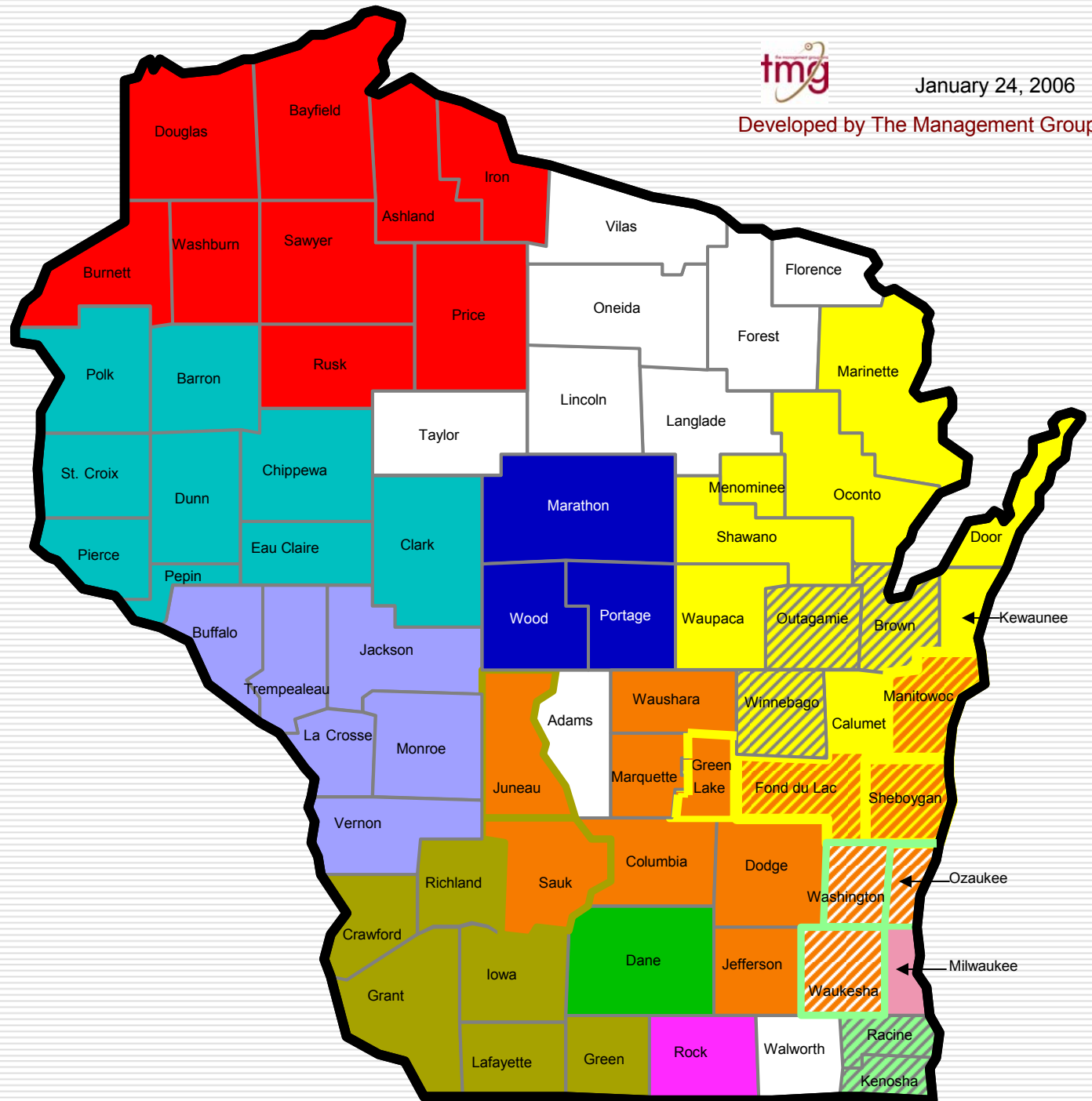




January 24, 2006

Developed by The Management Group

-  NW-LTCO
-  WCW-CMC
-  CW
-  NER
-  WCC - LAX
-  SW-CMC
-  Dane
-  SEW-CMO
-  SSI Managed Care
-  FPCMC
-  FPCMC/NER
-  FPCMC/SW-CMC
-  FPCMC/SEW-CMO



# Planning Grants

- ❑ Goal: Help all interested areas to progress toward implementation
- ❑ \$1.4 million federal grant funds
- ❑ Some grants already made
- ❑ Working with other applicants to refine proposals



# Family Care is Cost-effective

- Independent Assessment found:
  - Average savings \$452 per month
  - Reduced use of institutions
  - Maintained health and functioning



# Family Care Statewide Cost

- ❑ Mature Family Care Program
  - Complete enrollment of entitled groups
  - Assumes same level of cost efficiencies as achieved by current CMOs
- ❑ For cost projections purposes, assumes Family Care benefit package
  - Dept. also supports expansion projects with fully integrated benefit package



# Cost Model Elements

☐ Number of persons who will enroll  
X

☐ Cost to MA per person  
=

☐ Total costs  
Compared to

☐ Available revenue  
=

☐ Net cost/savings



# Projected Costs: No. of enrollees

- Total: 43,600 enrollees in expansion areas
  - 1. Current Waiver Participants: 20,000
  - 2. Community MA recipients with LTC needs, including waitlist individuals: 20,000
  - 3. Relocations from nursing homes: 1,100
  - 4. New to MA because of FC: 2,500





# Projected Costs: Cost per Person

## □ LTC Costs

- Based on current Family Care capitation rate-setting methodology
- Uses functional screen information to reflect acuity level (i.e., “case mix”) of each client group

## □ Primary and Acute Costs

- Based on primary and acute costs for current Family Care members



# Projected Costs: Regional Adjustments

- Current Family Care cap. rate is adjusted for regional differences in health care costs
- Range of cost estimates developed
  1. Apply relatively high-cost regional adjustment factor (Milwaukee as proxy)
  2. Apply relatively low-cost regional adjustment factor (La Crosse as proxy)



# Projected Revenue Available

- ☐ Waiver/COP funding for populations served by FC
- ☐ MA Funding currently used for non-waiver MA services for clients on MA prior to enrolling in FC
- ☐ Portion of Community Aids estimated as funding long-term care services
- ☐ County levy spent on long-term support



# Costs in Millions

	AF	GPR
Waiver Recipients	\$656 - \$666	\$277 - \$281
Community MA Clients	\$476 - \$486	\$201 - \$205
Nursing Home Relocations	\$34 - \$35	\$14 - \$15
New to MA Because of FC	\$56 - \$58	\$23 - \$24
Total Costs	\$1,222 - \$1,245	\$515 - \$525



# Revenue in Millions

	AF	GPR/ County
MA non-Waiver Revenue:	\$561	\$237
Waiver / COP Funding:	\$381	\$161
Community Aids:	\$112	\$47
County Levy:	\$186	\$78
 Total Revenue	 \$1,240	 \$523



# Net Cost in Millions: Budget Neutral

	AF	GPR
Total Costs	\$1,222 - \$1,245	\$515 - \$525
Total Revenue	(\$1,240)	(\$523)
Total Net Costs/(Savings)	\$5 – (\$18)	\$2 – (\$8)



# Family Care Legislation

- ☐ Lift cap to allow statewide expansion
- ☐ Some expansion in 2007 is possible
- ☐ Retain all other provisions of existing law
- ☐ Further review of enabling statutes in biennial budget

